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C O N F I D E N T I A L KUALA LUMPUR 000904

SIPDIS

FOR EAP AND NEA

E.O. 12958: DECL: 05/22/2017  
TAGS: [PGOV](#) [PREL](#) [KDEM](#) [KPAO](#) [MY](#)  
SUBJECT: UMNO QUESTIONS ANWAR IBRAHIM OVER "FOUNDATION FOR FUTURE" ROLE

REF: A. KUALA LUMPUR 867 - PM AIDE ON ANWAR AND ELECTIONS

[1](#)B. KUALA LUMPUR 291 - IMPLICATIONS OF MURDER PROBE

[1](#)C. KUALA LUMPUR 153 - ANWAR ATTACKS NAJIB

Classified By: Political Section Chief Mark D. Clark for reasons 1.4 (b and d).

[1](#)1. (C) Summary: Prime Ministerial son-in-law and UMNO youth leader Khairy Jamaluddin has publicly called on opposition figure Anwar Ibrahim to explain his role in the Foundation for the Future and his connections with outgoing World Bank President Wolfowitz. Anwar, as Foundation chairman, issued a statement clarifying the Foundation's appointment of Shaha Ali Reza in 2006. With the government's dominance of the mainstream media, UMNO will attempt to use this story to weaken Anwar's reformist and Islamic credentials, and portray Anwar as somehow in America's pocket. End Summary.

[1](#)2. (U) State news agency Bernama and mainstream press outlets carried stories May 20-21 reporting that Khairy publicly demanded an explanation from former Deputy Prime Minister Anwar Ibrahim over Western press reports that Anwar had close connections to outgoing World Bank President Wolfowitz and played a role in the appointment of Shaha Ali Reza to work at the Foundation for the Future. Khairy told reporters: "Anwar must explain his role in the scandal.... Anwar has to explain because this is an irregularity and abuse of power at the international level."

[1](#)3. (SBU) Khairy's remarks followed media accounts in late April that attempted to draw connections between Anwar and the World Bank President. The Malaysian media carried the stories on the eve of the highly-charged Ijok by-election, which pitted Anwar's opposition party against a candidate from the ruling National Coalition (ref A). Anwar's campaign strategy focused heavily on criticism of corruption in UMNO and the National Coalition, and in particular focused attacks on Deputy Prime Minister Najib Tun Razak.

[1](#)4. (U) Anwar Ibrahim, writing as Foundation for the Future chairman, issued a statement on May 20 in reaction to the "incessant propaganda from the UMNO controlled media." Anwar's statement described the Foundation's decision in mid-2006 to "regularize" Shaha Ali Reza's assignment by the World Bank to work at the Foundation. His statement concluded that "the Foundation will not hesitate to institute legal action" should there be no clarification by the media. Malaysian papers carried reports of Anwar's statement on May 21-22.

[1](#)5. (U) Post has received a number of local media inquiries on this issue. Per instructions, we have referred these journalists to the Department.

[1](#)6. (C) Comment: After enduring Anwar Ibrahim's sharp criticism over corruption and DPM Najib's alleged links to a

murder scandal (reftels), UMNO has seized on Western press accounts of Anwar's role at the Foundation for the Future as a means to hit back. By implying that Anwar's actions constituted "abuse of power" and by highlighting press reports of Anwar's connections to a former senior U.S. official, UMNO will attempt to undermine the opposition leader's reformist and Islamic credentials. We expect UMNO also to use the story, at least behind the scenes, to help propagate a belief that Anwar is somehow in America's pocket.

With its effective control over the mainstream media, the ruling National Front government will be able to stir this pot if and when it best suits UMNO's purpose.

LAFLEUR